This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS LAGOS 001493

SIPDIS

STATE PASS TO DS/IP/AF, DS/IP/OSAC, DS/IP/ITA LONDON AND PARIS PASS TO AFRICA WATCHERS KABUL PASS TO SROSS DIA/J2 PASS TO GHAYES

SENSITIVE BUT UNCLASSIFIED

E.O. 12958: N/A TAGS: <u>ASEC EPET PINS PGOV NI CACS</u>

SUBJECT: NIGERIA UPDATE - BAYELSA HOSTAGES RELEASED

REF: LAGOS 1475

- (SBU) SUMMARY. On July 20, as reported in reftel, several expatriate oil services employees were taken hostage in Bayelsa State. We have since learned that all have been released, including one American citizen. The incident did not involve a host community dispute as originally reported, but rather was the result of a labor dispute within the contracting company. END
- 12. (SBU) News and field reports indicated July 20 that several expatriate oil workers with the indigenous firm Conoil Nigeria had been taken hostage in Bayelsa State. We have since learned the situation was purely a labor dispute internal to the contracting company, Forasol Drilling West Africa, an American-French venture.

 Forasol is a unit of U.S.-based Pride Drilling.

 Subsequent to the initial report, we also learned an American citizen employee of Halliburton was among the hostages. That AmCit and all other expatriates have been released and evacuated from the site. We do not know how many of the Nigerians reported yesterday as hostages actually participated in the labor action, but all employees appear to be safe and sound today.
- 13. (SBU) According to our latest information, junior-level or temporary workers at Forasol commandeered an oil rig yesterday to protest the company's downsizing The workers demanded to be made permanent An oil services security manager told us that the governor of Bayelsa State flew to the area and successfully negotiated the hostages' release, taking the expatriates off the rig in his helicopter.
- 14. (SBU) Tonte Senibo, Corporate Affairs Officer for Forasol, confirmed Wednesday morning that the situation occurred on a rig the company managed and that the dispute was over wages. She said all persons held against their will were released unharmed and taken to a hotel in Bayelsa State. She expected them to be flown to Port Harcourt by 1400 on Wednesday, July 21.
- 15. (SBU) Senibo stressed that this was a labor matter, and added that in the three years Forasol has been working in Nigeria, the company has never had a dispute with a local community, as was widely reported yesterday. She did note that Nigerian naval vessels regularly patrol the waters in which the company works.
- 17. (SBU) COMMENT: We commented in reftel that community conflicts in Nigeria occur in many isolated areas beyond the normal purview of Nigeria watchers; labor unrest is equally indiscriminate in regard to location and size of employer. The speed at which this incident was resolved by the affected company and the state governor was encouraging, and perhaps reflects the realization by officials of the need to end such delicate situations quickly, before the potential for violence increases. END COMMENT.

BROWNE